

A brief summary of the programs at Fort Peck and Miles City hatcheries

Both hatcheries have *ponds* for the extensive culture of warmwater species such as large- and smallmouth bass, walleye and northern pike, and *outside raceways* and *rectangular and round tanks* in the hatchery buildings that are best used for the culture of other species.

Largemouth bass, smallmouth bass, and channel catfish are allowed to spawn naturally in hatchery pond environments and their fry are harvested for stocking. Walleye, Chinook salmon and northern pike eggs are obtained from adults in Fort Peck Reservoir or from out of state sources. Pallid sturgeon eggs are obtained from adults spawned at Miles City Hatchery or two out of state federal hatcheries. Tiger muskie eggs are obtained from out of state sources.

The production of warmwater species is highly variable, primarily due to weather. Undesirable water temperature regimes can affect the ability to capture ripe females, spawning success, egg quality, and fry survival.

What necessary but unfulfilled statewide fishery needs are currently being met, or will be met at Fort Peck?

Warm/coolwater species

Extensive pond culture is used to rear largemouth bass, smallmouth bass, northern pike, walleye, and channel catfish. Thus the programs for these species compete for the available pond space at FWP's two warmwater facilities. A priority is given to walleyes when allocating pond space at these facilities. As a result, prior to the construction of Fort Peck Hatchery, the production of some other species had either been deferred or reduced.

The current annual statewide demand for the species which are reared at Fort Peck and Miles City hatcheries are:

Species	Approximate annual demand
Largemouth bass	202,000 - 216,000
Smallmouth bass	41,000 - 60,000
Northern pike	Up to 600,000
Walleye	36 million fry 4.1 million fingerlings
Tiger muskie	8,500
Channel catfish	11,300
Pallid sturgeon	14,600 yearling equivalents

As an example of FWP's warmwater pond production capability prior to the construction of Fort Peck Hatchery, the annual fish production from Miles City Hatchery for

largemouth bass, smallmouth bass, northern pike and walleye for the years 2001-2003 was:

Year	Species	Fry produced	Fingerlings produced
2001	LMB	0	56,500
	SMB	5,500	80,680
	NP	0	91,000
	WE	30.5 million	2.1 million
2002	LMB	0	71,566
	SMB	0	8,328
	NP	24,650	169,000
	WE	32.8 million	2.1 million
2003	LMB	0	32,934
	SMB	0	43,450
	NP	0	253,000
	WE	29.9 million	2.6 million

Production of largemouth bass at Miles City Hatchery during the period did not meet the demands for this species, however the instate demand for smallmouth bass was met in a single year. North Dakota has an annual request for 100,000 1-2" smallmouth bass in exchange for the Chinook salmon and walleye they have provided and continue to offer to Montana. This request does not appear in the table above. FWP has not been able to meet North Dakota's request for smallmouth bass. *The additional pond space provided for walleye production at Fort Peck Hatchery allows an increase in production of largemouth and smallmouth bass at Miles City Hatchery. Miles City Hatchery is increasing its bass broodstock numbers to take advantage of this opportunity.*

The production of northern pike did not meet demand during the period. *The increased pond space provided by Fort Peck Hatchery, in combination with the Fort Peck Rearing Pond, increases FWP capability to produce northern pike.*

Emphasis during this time period was given to walleye production, primarily for Fort Peck Reservoir. Thus, the production of walleye more closely met production goals than for other species produced at Miles City Hatchery. Even with this emphasis and commitment of pond space, the production of walleye fry and fingerlings did not meet the demands for this species. *With the additional capacity of Fort Peck Hatchery, the requests for walleye fry and fingerlings were met in 2006.*

Miles City Hatchery has been able to meet the annual demand for tiger muskies.

Because of the priority for production of walleyes at Miles City Hatchery, no pond space could be committed to the production of channel catfish. Instead, channel catfish were obtained from out of state sources for stocking in Montana. However, the importation of channel catfish was suspended by FWP because of concerns about the disease status of out of state sources and the risk of importing aquatic nuisance species. In 2007, Miles City Hatchery began investigating the production of channel catfish. Initial results were

successful. It is expected that the production of channel catfish will become a permanent program at Miles City Hatchery. *Without the additional pond space provided by the Fort Peck Hatchery, the instate production of channel catfish would not be possible.*

Current instate demand for pallid sturgeon is a minimum of 14,600 yearlings or the equivalent in younger-aged fish. It is expected that new information will result in a significant increase in the demand for this endangered species. Out of state hatcheries have not been consistent sources for pallid sturgeon due to disease issues. *Production of pallid sturgeon at Fort Peck Hatchery will be needed to supplement the production at Miles City and BluewaterSprings hatcheries to meet the increasing stocking goals for pallid sturgeon in Montana. Pallid sturgeon production at Miles City Hatchery occupies hatchery space formerly dedicated to the production of Chinook salmon.*

Chinook salmon

The annual request for Chinook salmon is 100,000 spring-stocked and 100,000 fall-stocked fish. During the 2001-2003 period, Miles City produced Chinook salmon for stocking into Fort Peck Reservoir. However, the hatchery space formerly used for Chinook salmon has been redirected to the production of endangered pallid sturgeon. Fort Peck Hatchery has assumed the responsibility of rearing Chinook salmon for Fort Peck Reservoir. The outside raceways at Fort Peck Hatchery provide a better environment in which to hold captured adult Chinook salmon through spawning operations than on-site holding pens at the reservoir. This improves the health and hygiene of the adult fish, along with better egg quality control. *Without the additional tank and raceway space at Fort Peck Hatchery, FWP would have to choose whether to raise Chinook salmon or pallid sturgeon. The additional tank and raceway space at Fort Peck Hatchery permits the production of pallid sturgeon to restore an important endangered native species and the production of 100,000 4" spring-stocked and 100,000 7-9" fall-stocked Chinook salmon to support a regionally important sport fishery.*

Other species

Unmet statewide demands for hatchery production of fish species not currently being raised at Miles City and Fort Peck hatcheries include:

- 1) An increasing demand for 7-9 inch rainbow trout for reservoirs that have mixed trout and warmwater fisheries.
- 2) An increasing demand for rainbow trout greater than 10 inches for urban and kids fishing ponds.
- 3) Current requests for trout of various sizes, species and strains will increase if the persistent drought ends. Fisheries managers have reduced their requests for trout from historical levels due to drought-related low water levels in reservoirs.

- 4) Requests for the production of fish species that are severely impacted by the continuing low reservoir levels in Fort Peck Reservoir such as lake trout and cisco.

Fort Peck Hatchery has the capacity to produce 100,000 4" spring-stocked and 110,000 7" fall-stocked rainbow trout and 150,000 4" spring-stocked lake trout without affecting the production of warmwater, pond-cultured species such as northern pike and walleyes. Big Springs Hatchery near Lewistown currently raises the rainbow trout stocked in Region 6. Production of rainbow trout for Region 6 at the Fort Peck Hatchery would reduce the cost of stocking the fish for these waters, but these savings would be offset due to increased costs for pumping and heating water. An important advantage of rearing rainbow trout for Region 6 at the Fort Peck Hatchery is the resulting production space that becomes available at Big Springs Hatchery that could be used to meet the statewide request for large rainbow trout. It has not been determined at this time how production of cisco could be incorporated into the fish production scheme at Fort Peck Hatchery. *Fort Peck Hatchery could increase the statewide production of rainbow trout, including large rainbow trout, and improve the lake trout fishery in Fort Peck Reservoir.*

At this time do necessary unfulfilled needs require utilizing the full hatchery facility?

It is clear from the response to the previous question that there are sufficient demands for fish of several species to justify increasing the production of fish at Fort Peck Hatchery. However, full utilization of the Fort Peck Hatchery has not been realized for the following reasons:

- 1) The authorizing legislation for the Fort Peck Hatchery is ambiguous about what species are authorized to be cultured at this hatchery. Public concerns about rearing fish species that are not listed in the authorizing legislation for the hatchery have been recognized by FWP.
- 2) There are design and construction problems with the hatchery that limit fish production. FWP is working to resolve these issues.
- 3) Fort Peck Hatchery is a new, complex facility with a relatively inexperienced staff. FWP has instituted a staged production program at Fort Peck Hatchery, where the hatchery's production is gradually increased over time. This approach allows water supply and infrastructure problems to be identified and rectified prior to achieving full production. Also, hatchery personnel are gradually exposed to the culture of unfamiliar species and the monitoring, maintenance and repair of the complex hatchery infrastructure without the stress and demands of a full-production program.

It is FWP's goal to operate Fort Peck Hatchery as efficiently and effectively as possible within available budgets to meet statewide fisheries management goals. It is expected

that, like FWP's other hatcheries, Fort Peck Hatchery will be operated at its maximum capacity.

Why can't the existing hatchery system, including the current warmwater hatchery, meet these needs?

The issue of unfulfilled demands for hatchery fish is broader than just what is or can be produced at any single hatchery. In other words, when looking at meeting requests for fish of all sizes, species and strains on a statewide basis, consideration of the potential to use of all of FWP's hatcheries in their most appropriate manner is required. Most of Montana's hatcheries are operating at full capacity and do not have the ability to increase production or incorporate new species into their programs. Additionally, not all species of fish can be raised at all hatcheries. Some hatcheries are located where it is inappropriate to culture certain species because escapement would pose a threat to local native fish populations or sport fisheries. A specific hatchery's water temperature profile, water chemistry or infrastructure may make it unsuitable to rear certain species.

Even with the additional production provided by Fort Peck Hatchery, FWP's hatcheries will not be able to meet all demands for hatchery fish.

What does the department see as the respective and complimentary roles of the Fort Peck and Miles City hatcheries?

The two eastern Montana hatcheries are managed to provide a single, coordinated warmwater program. Fish distribution from both hatcheries is coordinated so that, as workloads require and permit, both hatcheries participate in the distribution of fish from both facilities.

The largemouth and smallmouth bass broodstocks will be maintained at Miles City Hatchery, as will the production of largemouth and smallmouth bass.

Walleye production will occur at both Fort Peck and Miles City hatcheries. Broadly, Miles City Hatchery is responsible for stocking walleyes south of the Missouri River, while Fort Peck Hatchery is responsible for stocking walleyes north of the Missouri River. Fort Peck Hatchery is responsible for coordinating walleye spawning at Fort Peck Reservoir. Experiments to develop sterile walleye will occur at Fort Peck Hatchery.

Northern pike production and distribution will be the responsibility of the Fort Peck Hatchery.

Miles City will continue to spawn captive wild adult pallid sturgeon and will be FWP's main pallid sturgeon spawning and rearing facility. The Fort Peck Hatchery staff has been directed to gain experience with pallid sturgeon culture, with the long-term goal of becoming a pallid sturgeon production hatchery. Production of pallid sturgeon at Fort Peck Hatchery is currently limited by design problems in the hatchery's Sturgeon Room. A significant increase in the demand for hatchery-produced fry, fingerling and yearling

pallid sturgeon is expected within the next year, so the production of pallid sturgeon from Fort Peck Hatchery will likely increase.

Miles City Hatchery coordinates and assists with the distribution of trout within Region 7.

Miles City Hatchery initiated experimental spawning and rearing of channel catfish in 2007. *It is anticipated that the channel catfish program will be expanded at Miles City Hatchery to meet requests for this species.*

Tiger muskies have been reared at the Miles City Hatchery. *The tiger muskie program will remain at Miles City if it is continued.*

Fort Peck Hatchery will continue to be responsible for spawning, rearing and distributing Chinook salmon into Fort Peck Reservoir.

Other species will be incorporated into the Fort Peck Hatchery's program as directed.

EXHIBIT 2
DATE 3/31/09
SB 425

Senate Bill 425
March 31, 2009
Presented by Chris Smith
House Fish, Wildlife & Parks Committee

Mr. Chairman and committee members, for the record I am Chris Smith, Deputy Director of Montana Department of Fish, Wildlife & Parks (FWP).

SB 425, similar to HB 190, addresses a longstanding issue--the management and funding of the Ft. Peck Hatchery.

In another parallel to HB 190, following the debates on this subject last session, the department undertook a ten month long collaborative effort, bringing together conflicting interests in search for a win-win solution. We established a committee that included representation from Walleyes Unlimited, Walleyes Forever, Trout Unlimited, each of our Regional Citizens Advisory Committees, Mike Volesky of the Governor's office and Senators Tropila and Bales. The committee met three times, once at Ft Peck and twice in Lewistown. At the first meeting they identified 11 alternatives for funding the hatchery. Over the course of the next two meetings they whittled these down to two alternatives:

- Increasing the warmwater stamp by \$3 and making no changes to the statutes related to fish propagation at Ft Peck. The warm water stamp would be required of any resident or non-resident fishing in certain Montana waters.

- Increasing the fishing license by \$1-2, eliminating the warmwater stamp and integrating the Ft. Peck Hatchery into FWP's system of hatcheries. Raising warmwater fish to meet stocking requests would remain the top priority of the hatchery.

FWP issued a statewide press release describing these alternatives and seeking public input on them. Based on about 150 comments received, the second alternative was favored by a 15-1 margin. This alternative was also preferred by each of the CACs well as many other individual anglers and angling groups.

Governor Schweitzer's commitment not to raise any fees or taxes this session precluded FWP from proposing a bill that meets all the requirements of the second alternative. However, during the hearing on SB's 13 and 14, which also addressed funding and management of the Ft. Peck Hatchery, FWP suggested crafting a committee bill that would implement as much of the second alternative as possible, given the constraint on raising fees.

When the committee tabled SB 13 and SB 14, efforts continued on refining language of a bill draft that ultimately became SB 425. In the interest of full disclosure, let me say right up front that work on refinements to the bill draft did not include a representative from Trout Unlimited. I own the responsibility for that oversight and apologize to Mr. Aagenes for not keeping him in the loop. My attention was focused on coming to terms on language related to species propagation and warm water funding that would be acceptable to the interest groups that had brought SB 13 and 14. When Mr. Aagenes brought that oversight to my attention, I worked with him to explore potential amendments to SB 425 that would address Trout Unlimited's concerns. Unfortunately, those efforts did not bear fruit.

FWP believes SB 425 comes as close as possible to meeting what we believe to be the interests of the vast majority of the anglers in the state. SB 425 would ensure that the hatchery continues to focus on maximizing warm water fish production, but would allow FWP sufficient flexibility to produce cold water species in the hatchery as long as that production does not reduce warm water species production. This would permit FWP to integrate this hatchery into the overall hatchery system and maximize efficiency of fish propagation across the entire system.

The bill also lifts the constraints on funding and authorizes FWP to use warm water stamp, general license or federal funds for hatchery operations and maintenance. Our intent would be to use the warm water funding first, but supplement that with federal matching funds or general license money, as needed. These changes would take effect immediately.

Finally, the bill repeals the warm water stamp, effective March 1, 2012, the beginning of a license year. That date was chosen to allow FWP time to assess options for funding not only the hatchery, but the agency overall and to consider adjustments that might be necessary in the 2011 legislative session. Although some have suggested this sets up the need for a fishing license fee increase next session, there are any number of things that will affect choices between now and then. For example, HB 585, if passed and approved would generate about \$500,000 in new license revenue; more than double the reduction due to eliminating the warm water stamp. We continue to pursue federal funding to support propagation of endangered species at Ft. Peck, which might also offset the need for license funds, etc. Increasing the number of licenses sold, without increasing the price, is yet another option to offset the reduction in revenue due to eliminating the warmwater stamp.

While SB 425 may not be perfect in anyone's eyes, it represents an important step forward from what has been an unproductive impasse to date. FWP encourages your support of SB 425 so that we can focus on raising fish and anglers can focus on catching fish.